



CITY OF HAYWARD

AGENDA REPORT

AGENDA DATE 03/18/03

AGENDA ITEM _____

WORK SESSION ITEM WS2

TO: Mayor and City Council

FROM: Director of Community and Economic Development

SUBJECT: Revisions to the Residential Rental Housing Inspection Program

RECOMMENDATION:

It is recommended that the City Council review and comment on this report.

DISCUSSION:

The Council last reviewed the recommendations for changes to the Residential Rental Housing Inspection Program in November 2002. At that time, the proposed revisions included changes designed to focus attention on rental units with the most violations in selected areas of the city, while providing a program of "self-certification" for property owners who had a history of compliance with the Housing Code and other City ordinances. The stated goal was to reduce the program cycle time to three and one-half years. In addition, the report discussed the impact of restructuring the staff effort on the complaint process and on the capacity to provide inspections of properties not in areas selected for particular focus. The report indicated that the "self-certification" process and the inspection of a random sampling of properties in other areas of the City would require additional staffing. Staff also proposed changes to the schedule of fees and penalties associated with the program. These changes were designed to be more fair to owners who complied immediately and to penalize to a greater degree those who did not. There was also a suggestion that a per-unit fee, which could be waived for "self-certified" properties, be instituted.

Several members of the public spoke at the November 12, 2002 work session. Representatives of the Rental Housing Owners Association indicated that they did not agree with the proposed revisions because of the complexities of the "self-certification" process and the requirement that more than one unit be inspected when responding to complaints. Representatives of renters expressed their concern about protecting the identity of complainants in order to reduce their fear of making valid complaints to the City and the need to have random inspections in non-focus areas of the City to avoid further degradation of the housing stock.

In an effort to come closer to consensus on how best to revise the program, staff pursued further discussions with the Rental Housing Work Group during January and February. The

result of those discussions, while not arriving at total agreement on all points, did reveal a general consensus on the program outlined below. The primary changes are the elimination of the self-certification process and the retention of the current complaint process. This revised proposal continues to focus on areas with the greatest concentration of rental housing while continuing to relieve owners of well-maintained properties from excessive regulation. In addition, it recognizes that the effort in focus areas should not negate inspection of other rental properties within the city. Most of the previously discussed aspects of the program remain the same. In addition to dropping the self-certification concept, the other major change is the establishment of a per unit fee to fund an inspection mechanism in non-focus areas.

Program Description

The modifications to the Residential Rental Inspection Program (RRIP) would have the following components:

- Property inspections will focus on areas with the greatest concentration of rental housing. The six areas selected for concentrated effort contain about 8,000 units and include: South Garden; Harder-Tennyson (Tract 4377); Harder-Tennyson (Tract 4375); South Hayward BART/Dixon Street; Burbank; and the Jackson Triangle (see Attachment A). All units will be inspected.
- The program cycle time in the focus areas will be cut to 3.5 years.
- Rental properties in other areas of the city account for approximately 13,000 units and will be inspected through a random sampling of 10% of the units in a given census tract. Properties selected at random that passed inspection by the first progress check in the previous cycle will be subject only to a common area inspection unless serious violations are apparent, in which case all units will be inspected. Properties that do not meet the above criteria will receive a full inspection. It is estimated that this aspect of the program would have a cycle time approximately similar to that of the focus areas.
- The Program will investigate any and all complaints filed. Response to complaints will include only inspection of the individual unit and the common areas unless serious violations are apparent, in which case all units will be inspected.
- Fees for surveys and progress checks would be increased from \$100/parcel and \$40/unit to \$150/parcel and \$60/unit to adjust for inflation since fees were last increased in 1993.
- The fee for a first progress check will be waived if the violation has been corrected. This waiver will result in an average reduction under the revised fee schedule of 20 to 25% for units brought into compliance prior to the first progress check (Attachment D).
- Penalties for lack of timely compliance will be raised and will increase exponentially to provide a greater incentive for maintenance of the housing stock.

- An annual per unit fee would be instituted for all rental units located outside of the focus areas. This fee would be \$5 per unit for complexes with five or more units. For single-family units, duplexes, triplexes and four-plexes, a flat fee of \$20 is proposed.
- Owners of rental units will be required to provide notice of the availability of the RRIP and its complaint procedures to each tenant upon execution of a lease or rental agreement in a form set forth by the City and made available in English and Spanish. Both the owner and the tenant would receive a signed copy of that notice for their records.
- A prohibition on retaliation against a tenant exercising his or her rights under the RRIP will be added to the Ordinance.

Program Costs and Revenues

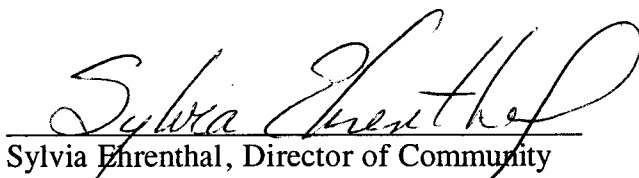
As previously discussed, the current program recovers on average half of its cost in fees. The proposed increase in existing fees (Attachment B) is designed simply to cover the cost of inflation since the fees were last increased in 1993. The change in the structure of penalties is designed to move from an arithmetic progression to an exponential one in order to maximize the incentives for speedy compliance.

The elimination of the "self-certification" provisions obviate the need for additional clerical assistance in the program. The new per unit fee is designed to cover the cost of an additional inspector to perform housing inspections of units not in the focus areas and is, therefore, assessed only on units not in the focus areas. It is estimated that of the 21,000 rental units in the city, approximately 8,000 are in the focus areas. That leaves approximately 13,000 units that would be assessed the per unit fee. Of these approximately 10,000 units are in complexes of 5 or more units and 3,000 are in 1-4 unit configurations. Applying the \$5 and \$20 fee to these units would yield about \$100,000 in revenue, approximately the cost of adding one inspector position and related ancillary expenses.

Summary

Staff and the Rental Housing Work Group agree that annual review is important to assuring the efficacy of the program. Staff suggests that such an annual review be conducted with the assistance of the Work Group in February of each year so that a report may be made to the City Council as part of the annual budget review. The changes proposed for the Residential Rental Inspection Program require only minor revisions to the ordinance itself. A copy of the proposed ordinance is attached (Attachment C).

Prepared by:


 Sylvia Ehrenthal, Director of Community
 and Economic Development

Approved by:



Jesús Armas, City Manager

Attachments: A. Map of Focus Areas
B. Proposed Fee Structure
C. Proposed Ordinance
D. Fee Reduction Chart

**DUE TO THE LENGTH OR COLOR
OF THE REFERENCED EXHIBIT,
IT HAS BEEN ATTACHED AS A
SEPARATE LINK.**

ATTACHMENT B

PROPOSED STRUCTURE FOR RENTAL HOUSING AND HOTEL INSPECTION FEES AND PENALTIES

C. RENTAL HOUSING AND HOTEL INSPECTION FEES AND PENALTIES

1. Annual fee for rental housing, hotel or motel units not located in designated focus area.
 - a. Single family, duplex, triplex, or fourplex \$20
 - b. Five or more units \$5 per unit
2. Request for postponement of initial inspection or progress check
 - a. First request No charge
 - b. Second request \$200 penalty
3. Inspection, report and enforcement actions pursuant to HMC, Ch. 9, Art. 5
 - a. Initial inspection of parcel containing two or more rental housing units a hotel or motel
 - (1) No violations found No charge
 - (2) Violations found \$150/parcel + \$60/unit or hotel/motel room with violation
 - b. Progress Checks
 - (1) First Progress Check
 - (a) Violations corrected No Charge
 - (b) Violations not corrected \$150/parcel + \$60/unit or hotel/motel room with violation
 - (2) Second Progress Check \$150/parcel + \$60/unit or hotel/motel room with violation + \$200
 - (3) Third Progress Check \$150/parcel + \$60/unit or hotel/motel room with violation + \$400
 - (4) Fourth Progress Check \$150/parcel + \$60/unit or hotel/motel room with violation + \$800
 - (5) Fifth and subsequent re-inspections \$150/parcel + \$60/unit or hotel/motel room with violation + \$1000.

- c. Initial inspection of parcel containing one single- family rental unit (including condominium or townhouse)
 - (1) No violations found No Charge
 - (2) Violations found \$150
 - d. Progress Checks
 - (1) First Progress Check
 - (a) Violations corrected No Charge
 - (b) Violations not corrected \$150/parcel
 - (2) Second Progress Check \$150/parcel + \$200 penalty
 - (3) Third Progress Check \$150/parcel + \$400 penalty
 - (4) Fourth Progress Check \$150/parcel + \$800 penalty
 - (5) Fifth and subsequent re-inspections \$150/parcel + \$1000 penalty
 - e. Concurrent Initial Inspection of two or more single-family dwelling units/same owner
 - (a) No violations found No Charge
 - (b) Violations found \$150/parcel + \$60/unit
 - f. Progress Checks
 - (1) First Progress Check
 - (a) Violations corrected No Charge
 - (b) Violations not corrected \$150/parcel + \$60/unit
 - (2) Second Progress Check \$150/parcel + \$60/unit + \$200 penalty
 - (3) Third Progress Check \$150/parcel + \$60/unit + \$400 penalty
 - (4) Fourth Progress Check \$150/parcel + \$60/unit + \$800 penalty
 - (5) Fifth and subsequent re-inspections \$150/parcel + \$60/unit + \$1000 penalty
4. Initial Inspection or Progress Check - No Access
- a. No access – First Site Visit No charge
 - b. No access – Second Site Visit \$200
 - c. No access – Third Site Visit \$400
 - d. No access – Fourth Site Visit \$800
 - e. No access – Fifth and Subsequent Site Visits \$1000

5. Rent Control Deregulation Inspection pursuant to Ord No. 83-023, as amended
- a. Initial inspection/survey and one re-inspection \$300/unit
 - b. Concurrent initial inspection/survey and one re-inspection of two or more units/same owner/same development \$300 1st unit + \$60 each additional unit
 - c. Additional non-concurrent re-inspections \$150/unit
6. Lien (per parcel) \$150

ATTACHMENT C

ARTICLE 5

RESIDENTIAL RENTAL INSPECTIONS

Section	Subject Matter
---------	----------------

9-5.101	TITLE
---------	-------

9-5.102	PURPOSE
---------	---------

9-5.103	SCOPE
---------	-------

DEFINITIONS

9-5.201	GENERAL
---------	---------

9-5.202	ENFORCEMENT OFFICIAL
---------	----------------------

9-5.203	HEARING OFFICER
---------	-----------------

9-5.204	HOTEL AND MOTEL
---------	-----------------

9-5.205	IMMINENT HAZARD
---------	-----------------

9-5.206	RENTAL HOUSING UNIT
---------	---------------------

9-5.207	OWNER
---------	-------

GENERAL RESPONSIBILITIES

9-5.301	ADMINISTRATION
---------	----------------

9-5.302	MANDATORY INSPECTION PROGRAM
---------	------------------------------

9-5.303	CAUSE FOR INSPECTIONS
---------	-----------------------

9-5.304	NOTICE TO TENANTS
---------	-------------------

9-5.305	RETALIATION
---------	-------------

9-5.306	ENTRY
---------	-------

Section	Subject Matter
9-5.307	CORRECTION NOTICE
9-5.308	ADMINISTRATIVE HEARING
9-5.309	ENFORCEMENT: REPORT TO FRANCHISE TAX BOARD
9-5.310	NOTICES

FEES/PENALTY CHARGES

9-5.401	FEES/PENALTY CHARGES
---------	----------------------

RECOVERY OF FEES/PENALTY CHARGES

9-5.501	REPORT ON FEES
9-5.502	NOTICE OF HEARING ON REPORT
9-5.503	HEARING ON REPORT
9-5.504	COLLECTION ON TAX ROLL
9-5.505	ANNUAL REPORT OF CITY BUILDING OFFICIAL

ARTICLE 5

RESIDENTIAL RENTAL INSPECTION

SEC. 9-5.101 TITLE. These regulations shall be known as the Residential Rental Inspection Ordinance of the City of Hayward, may be cited as such, and will be referred to herein as "this code."

SEC. 9-5.102 PURPOSE. The purpose of this code is to safeguard the stock of decent, safe, and sanitary rental housing units within the City and to protect persons entering or residing in them by providing for inspection of rental housing units and the common areas when certain indicators show that violations of the Hayward Housing and Building Codes may exist in a unit or pursuant to a systematic area-wide inspection program.

SEC. 9-5.103 SCOPE. The provisions of this code shall apply to all rental housing units and to all hotel and motel units as herein defined.

DEFINITIONS

SEC. 9-5.201 GENERAL. For the purpose of this code, certain words, phrases, and terms, and their derivatives shall be construed as specified herein. Words, phrases, and terms used in this code, but not specifically defined herein, shall have the meanings stated therefor in the Building Code and the Housing Code of the City of Hayward with the Building Code controlling should there be a conflict. Where not defined in this code or in the Building or Housing Codes of the City of Hayward, such words, phrases, and terms shall have the meaning generally prescribed by dictionary definition.

SEC. 9-5.202 ENFORCEMENT OFFICIAL. Enforcement Official shall mean the City Manager or his/her designee authorized to administer the provisions of this code.

SEC. 9-5.203 HEARING OFFICER. Hearing Officer shall mean the City Manager or his/her designee authorized to conduct hearings pursuant to this code.

SEC. 9-5.204 HOTEL AND MOTEL. A hotel or motel of common Ownership on a single parcel is any structure or group of attached or detached structures containing six or more guest rooms intended or designed to be used, or which are used, rented or leased to be occupied, or which are occupied for sleeping purposes by guests. For the purpose of this definition, common Ownership shall be deemed to exist whenever a single individual or entity has any kind of Ownership interest whether as an individual, partner, joint venturer, stock Owner, or some other capacity.

SEC. 9-5.205 IMMINENT HAZARD. All buildings or portions thereof which are determined after inspection by the Building Official to be unsafe, substandard, or dangerous as defined in Chapter 10 of the 1997 Uniform Housing Code, Substandard Buildings, are hereby declared to be public nuisances and shall be abated by repair, rehabilitation, demolition, or removal as specified in the Building Abatement Ordinance.

SEC. 9-5.206 RENTAL HOUSING UNIT. A rental housing unit is any residential dwelling in a single structure, or in a group of attached or detached structures containing one or more such dwelling units on the same parcel of land under common Ownership that (a) contains one or more rooms with a single kitchen designed for living and sleeping purposes as an independent housekeeping unit, and (b) is occupied or intended to be occupied on a rental basis. For the purposes of this section, the following types of dwelling units or facilities are not considered rental housing units:

- (a) Accommodations in any hospital, extended care facility, convalescent home, nonprofit home for the aged, or dormitory that is owned and operated by an educational institution.
- (b) Accommodations in a nonprofit cooperative that is owned, occupied, and controlled by a majority of the residents.

For the purpose of this section, common Ownership shall be deemed to exist whenever a single individual or entity has any kind of Ownership interest whether as an individual, partner, joint venturer, stock Owner, or some other capacity.

SEC. 9-5.207 OWNER shall mean any person owning rental property as shown on the last equalized assessment roll for City taxes or his/her designee.

GENERAL RESPONSIBILITIES

SEC. 9-5.301 ADMINISTRATION. The City Manager, or his/her designee, hereinafter known as the Enforcement Official, is authorized to administer the provisions of this code.

SEC. 9-5.302 MANDATORY INSPECTION PROGRAM. The City of Hayward hereby institutes a systematic code enforcement program that will ensure that residential rental units, hotels, and motels are inspected over time. The program will include mandatory inspection of all units in selected focus areas and random sampling of units in other areas of the City. Focus areas will be selected based on factors including, but not limited to: Age of rental housing stock, condition of rental housing stock, and history of previous code violations.

The Mandatory Inspection Program is a part of the City of Hayward overall effort to encourage conservation of existing rental housing units, motels, and hotels. Owners of these types of structures will be required to bring these units to Housing and Building Code standards. Owners and managers shall allow for the inspection of these units. If an Owner or manager refuses to permit an inspection, the Enforcement Official is authorized to procure an inspection warrant.

SEC. 9-5.303 CAUSE FOR INSPECTIONS. A rental housing unit, motel, or hotel shall be inspected for violations of the Building and Housing Codes of the City of Hayward as part of the City of Hayward mandatory inspection program or whenever information from the following sources indicates that a pertinent code violation may exist therein:

- (a) Complaints from the occupant of a rental housing or motel or hotel that a code violation may exist;
- (b) Records maintained by the Enforcement Official which were established during previous apartment inspection programs and which reflect the prior existence of code violations and/or the absence of correction of such violations;
- (c) Direct referrals for inspection from other City officials with code enforcement responsibility or from officials of a federal, state, or local agency, or from officials with a public or private utility; or
- (d) Reports that the exterior condition of a rental housing unit, motel, or hotel reflects the existence of code violations.

SEC. 9-5.304 NOTICE TO TENANTS. Owners of rental units covered under the provisions of this code shall be required to provide notice of the availability of the Residential Rental Inspection Program and its complaint procedures to each tenant upon execution of a lease or rental agreement. Such notice shall be in a form set forth by the City and made available to each Owner of rental housing by the City.

SEC. 9-5.305 RETALIATION. No landlord may retaliate against a tenant for exercising his or her right under Section 9-5.303 of this code to file a complaint with the City that a code violation may exist. In any action by or against the tenant, evidence of the exercise by the tenant of his/her right under Section 1942.5 of the Civil Code occurring within six months of the alleged retaliation shall create a presumption that the landlord's conduct was in retaliation for the tenant's exercise of rights under this code.

SEC. 9-5.306 ENTRY. Upon presentation of proper credentials the Enforcement Official, after having obtained the consent of the Owner or occupant, may enter any rental housing unit or motel or hotel at reasonable times during daylight hours to perform any inspection required by this code.

Except in emergency situations the Enforcement Official shall not enter any rental housing unit or motel or hotel without the consent of the Owner or occupant thereof unless an inspection warrant therefor has been obtained and issued in the manner provided by the Code of Civil Procedure of the State of California.

SEC. 9-5.307 CORRECTION NOTICE. Whenever the Enforcement Official determines that a rental property is being maintained in violation of one or more of the provisions of the Housing or Building Code, the Enforcement Official shall give written notice to the Owner of said property stating the section(s) being violated. The notice shall set forth a reasonable time limit for the Owner to correct the condition, which shall be no less than 10 calendar days from the date of the notice, and which may also set forth suggested methods of correcting the violation(s). The notice shall direct the property Owner either to correct the violation(s) or request an Administrative Hearing to show cause why the condition(s) does not constitute a violation(s).

SEC. 9-5.308 ADMINISTRATIVE HEARING. Any Owner may file a written request with the Enforcement Official for an Administrative Hearing within 10 days from the date of service of a correction notice. The purpose of an Administrative Hearing is to allow the Owner to dispute the factual findings of the violation(s). If a Hearing is requested, at the time fixed for the Administrative Hearing, the Hearing Officer shall hear and consider all relevant evidence, objections, or protests offered on behalf of the Owner which show why the condition should not be corrected. The Hearing Officer may also consider rebuttal evidence offered by the City. If, at the conclusion of the hearing, based upon the record, the Hearing Officer is satisfied that the violation exists and concludes that it should be corrected, he/she shall issue a written decision setting forth his/her finding and shall cause the same to be served upon the Owner and the persons attending the hearing.

SEC. 9-5.309 ENFORCEMENT: REPORT TO FRANCHISE TAX BOARD. The Enforcement Official shall take appropriate action to cause the correction, repair, or abatement of violations that are found as a result of any inspection required by this code. In addition to employing the applicable enforcement measures that are or may hereafter be provided by law, including but not limited to the enforcement provisions of the Building Code of the City of Hayward, the Housing Code of the City of Hayward, and Article 3, Chapter 9 of the Hayward Municipal Code, the Enforcement Official shall comply with the provisions of sections 17299(c) and 24436.5(c) of the Revenue and Taxation Code of the State of California.

SEC. 9-5.310 NOTICES. The first notice informing a property Owner of a mandatory inspection or the date and time of an Administrative Hearing shall be by certified mail, return receipt requested. All other notices shall be by first class mail or certified mail. Service will be made to the Owner's address as it appears on the last equalized assessment roll or as know to the Enforcement Official. Service shall be deemed complete at the time notice is personally served, transmitted or deposited in the mail. The failure of any person to receive notice properly given shall not affect the validity of any proceedings hereunder.

FEES/PENALTY CHARGES

SEC. 9-5.401 FEES/PENALTY CHARGES. The annual fee and fees or penalty charges for any inspection or re-inspection performed pursuant to the provisions of this code shall be established from time to time by resolution of the City Council. Payment of such fees shall be made by Owner of the rental housing unit or hotel or motel upon demand by the City.

RECOVERY OF FEES/PENALTY CHARGES

SEC. 9-5.501 REPORT ON FEES/PENALTY CHARGES. The Enforcement Official shall keep an itemized account of the fees and penalty charges incurred in administering the provisions of this code and submit a billing therefor to the Owner of the rental housing unit, motel, or hotel as the Owner's name and address appear on the last equalized assessment roll of Alameda County or as is known to the Enforcement Official. Once a year the Enforcement Official shall prepare and file with the City Clerk a report specifying the date and nature of the inspections performed, the amount of unpaid program and other fees and penalty charges imposed in the prior year, and the names and addresses of the Owner of the rental housing unit or hotel or motel, and any mortgagee or beneficiary under a deed of trust of the property, as such names and addresses appear on the last equalized assessment roll of Alameda County or as known to the Enforcement Official.

SEC. 9-5.502 NOTICE OF HEARING ON REPORT. Upon receipt of the report of the Enforcement Official the City Clerk shall fix a time, date, and place for hearing the report and any protests or objections thereto. The City Clerk shall cause notice of the hearing to be published once in a newspaper of general circulation in the City, and served by certified mail, postage prepaid, addressed to the Owner of the property as the Owner's name and address appear on the last equalized assessment roll of Alameda County, if such so appear, or as known to the City Clerk. Notice shall also be given by certified or registered mail to any other person noted in the report as the name and address of such person appears on the last equalized assessment roll of Alameda County, if such so appear or as known to the City Clerk. Such notice shall be given at least ten days prior to the date set for hearing and shall specify the day, hour, and place when the City Council will hear and pass upon the Enforcement Official's report, together with any objections or protests which may be filed by any person interested in or affected by the proposed fee.

SEC. 9-5.503 HEARING ON REPORT. At the time and place of said hearing, the City Council shall hear and pass upon the report of the Enforcement Official together with any objections or protests thereto. The Council may make such revision, correction, or modification in the report or the fees charged as it may deem just; and when the Council is satisfied with the correctness of the fees charged, the report (as submitted or as revised, corrected, or modified) together with the fees charged shall be confirmed or rejected. The decision of the City Council on the report and the fees charged, and on all protests or objections, shall be final and conclusive.

SEC. 9-5.504 COLLECTION ON TAX ROLL. After confirmation of the fees charged, the same shall become a special assessment against the property affected.

A copy of the assessment shall be given to the City Finance Director, who may receive payment thereon until a list of unpaid assessments shall have been sent annually to the County Auditor for effecting collection on the tax roll at the time and in the manner of ordinary municipal taxes. The descriptions of the property reported shall be those used for the same property on the County Assessor's map books for the current year. All laws and ordinances applicable to the levy, collection, and enforcement of City taxes are hereby made applicable to the assessment hereby imposed, and the lien of said assessment shall have priority of the taxes with which it is collected.

SEC. 9-5.505 ANNUAL REPORT OF ENFORCEMENT OFFICIAL. The Enforcement Official shall prepare a report each year concerning the administration of this code. The annual report shall describe the number of units inspected, whether the inspection was mandatory or complaint generated, the nature of violations observed, enforcement measures taken, and the status of all billings for fees that have been made. The Enforcement Official shall submit the annual report to the City Manager each calendar year at such a time that it may be submitted to the City Council with the proposed City budget for the following fiscal year.

ATTACHMENT D

Fee Reduction for Early Compliance

	Current Fees and Penalties		Proposed Fees and Penalties	
	Fee Amount	Total Cost if Code Violations Corrected	Fee Amount	Total Cost if Code Violations Corrected
Example 1: 10 dwelling units with 2 violations				
Survey Cost	\$100	\$100	\$150	\$150
Amount Charged Per Unit with Code Violations	\$40 per unit	$\frac{80}{\$180}$ \$180	\$60 per unit	$\frac{120}{\$270}$ \$270
If violation is corrected prior to 1 st reinspection	\$100 per parcel + \$40 per unit	$\frac{100}{80}$ \$180 \$360	No additional charges	\$270 (25%)
Example 2 15 dwelling units with 5 violations				
Survey Cost	\$100	\$100	\$150	\$150
Amount Charged Per Unit with Code Violations	\$40 per unit	$\frac{200}{\$300}$ \$300	\$60 per unit	$\frac{300}{\$450}$ \$450
If violation is corrected prior to 1 st reinspection	\$100 per parcel + \$40 per unit	$\frac{100}{200}$ \$300 \$600	No additional charges	\$450 (25%)
Example 3: 100 dwelling units with 50 violations				
Survey Cost	\$100	\$100	\$150	\$150
Amount Charged Per Unit with Code Violations	\$40 per unit	$\frac{2000}{\$2100}$ \$2100	\$60 per unit	$\frac{3000}{\$3150}$ \$3150
If violation is corrected prior to 1 st reinspection	\$100 per parcel + \$40 per unit	$\frac{100}{2000}$ \$2100 \$4200	No additional charges	\$0 \$3150 (25%)